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FROM THE SENATE INTERNAL SECURITY SUBCOMMITTEE

WASHINGTON, D. C.--The Soviet Union is undermining the economic and political security of the West by selling oil at cut-rate prices to Free World customers, according to testimony released today by Chairman James O. Eastland (D-Miss.) of the Senate Internal Security Subcommittee.

The witness, Samuel Nakasian, a lawyer specializing in foreign investment and trade, testified at the request of Senator Kenneth B. Keating (R-N.Y.), a member of the subcommittee.

"Particularly dangerous," Nakasian said, "is the growing prospect that the economies of the industrial countries of the Eastern Hemisphere will be realigned to that of the Soviet Union...In this process, the security of the United States, which cannot be isolated from that of the Free World, is being jeopardized, with the result that our defense burden becomes greater."

Commenting on the testimony, Senator Keating said it "highlights the serious threat to the security of the United States and the Free World resulting from the Soviet oil offensive. Soviet cut rate sales of oil have a three-fold purpose: (1) To enable the Soviets to obtain advanced machinery and technology from the industrial countries of the West; (2) To subvert freedom and free enterprise in vulnerable underdeveloped countries; (3) To disrupt normal oil distribution patterns and to build up a dependence on Soviet oil throughout the Free World."

"The response of the United States and our allies to the Communist economic and political oil strategy has been confused and ineffective," Senator Keating said. "The subcommittee intends to continue to probe into this situation in the hope of contributing to the development of a realistic and forceful program for combatting such Soviet tactics."

Nakasian pointed out that if Soviet oil "were committed to satisfying internal requirements, emphasizing human needs rather than international objectives, Soviet oil production would be inadequate for export for many years to come."

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